

MISSOURI QUALITY JOBS

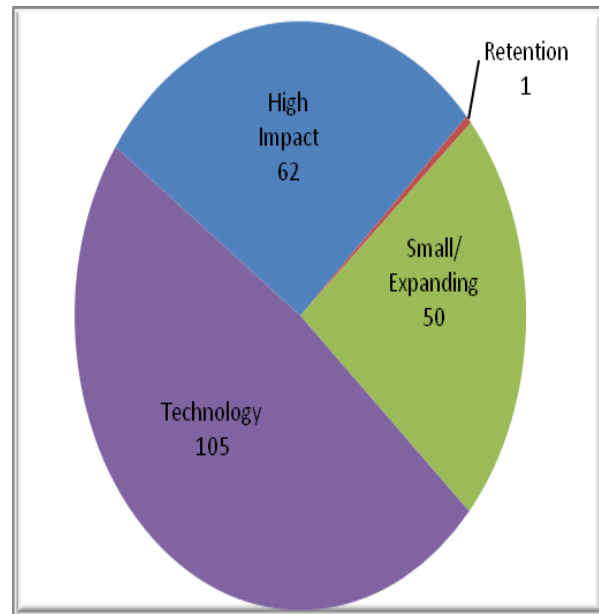


2013 Annual Report

Missouri Quality Jobs Program Annual Report for 2013

The Missouri Quality Jobs Program was introduced and passed during the 2005 Legislative Session, effective August 28, 2005. As of the end of calendar year 2013, 217 new jobs projects (representing 182 organizations) and 1 retention project are approved and active in the program. In addition, a total of 52 projects began benefits and have closed either because the benefit period was exhausted or the project did not maintain program thresholds. During 2013, 8 new jobs projects successfully completed the applicable 3 or 5 year benefit period, and 40 projects did not meet or maintain the program requirements and are no longer approved projects.

Approved Projects by Type



The Missouri Works Program was enacted August 28, 2013. Missouri Works replaces four programs (Missouri Quality Jobs, Enhanced Enterprise Zone, Rebuilding Communities and Development Tax Credit) and streamlines program requirements and statutory definitions. A Notice of Intent (NOI) for the Quality Jobs Program may be submitted if multiple phases, or NOIs, were proposed by DED and accepted by the company in the formal letter of proposal. The company may submit the number of NOIs as outlined for the project in the accepted proposal, and the company has the option of moving to Missouri Works instead of applying through the Quality Jobs Program.

Program Requirements

The Missouri Quality Jobs Program provides benefits for companies creating a minimum number of new jobs as required for each project type. Small/expanding business projects must create a minimum of 20 new jobs in rural counties or 40 new jobs in non-rural counties within 2 years. Technology business projects, determined by the assigned NAICS and based on the business activity at the facility, must create 10 or more new jobs within 2 years. High impact projects must create at least 100 new jobs, the first new job within 1 year of approval and at least an additional 99 new jobs within 2 years of hiring of the first new job. Program eligibility requirements for new jobs include an average wage of at least the county average wage (or state average wage if the county average is higher than the state average), the employee must work an average of thirty-five hours a week at the project facility during the year and the

employer must offer health insurance to all full-time employees in the state, paying at least fifty percent of the premium.

To qualify for the Retention portion of the Missouri Quality Jobs Program, companies must have a significant statewide effect on the economy, represent a substantial risk of relocation from the state and have employed a minimum of one thousand full-time employees for the previous two years with the average wage at or exceeding the county average wage. Investment and job requirements at the project facility for Retention projects include that the company must cause to be invested at least \$70 million within two years or cause to be invested at least \$30 million within two years and maintain a payroll of at least \$70 million each year a tax credit is claimed. In addition, local incentives must be at least fifty percent of the new local revenue generated for ten years. In accordance with Section 620.1881.3(4)(e), RSMo, Retention projects through the Missouri Quality Jobs Program must have been approved by the Department on or before August 30, 2013.

Location

Missouri Quality Jobs Program projects have been approved statewide during the program's existence, including 164 projects in non-rural areas and 53 projects in rural areas. A "rural area" is defined in Section 620.1878(27) as "a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census."

Annual Benefit

Benefits for the Missouri Quality Jobs Program may be in two forms, retained state withholding tax and/or tax credits, depending on the project type.

- Small/expanding business projects may retain the state withholding tax of new jobs for 3 years if the average wage of the new jobs equals 100-119 percent of the county average wage or 5 years if the average wage of the new jobs is at least 120 percent of the county average wage.
- Technology projects receive a base benefit of 5 percent of the new payroll for 5 years. An Average Wage Bonus (see below) may be added if requirements are met. If the retained withholdings are less than the total benefit, the balance is issued to the company in the form of a sellable/refundable state tax credit.
- High Impact projects receive a base benefit of 3 percent of the new payroll for 5 years. An Average Wage Bonus and Local Incentives Bonus (see below) may be added if requirements are met. If the retained withholdings are less than the total benefit, the balance is issued to the company in the form of a sellable/refundable state tax credit.

Average Wage Bonus – Bonus based on percentage of new job average wage to county average wage.

- Greater than 120 percent and up to 140 percent of the county average wage- company receives additional ½ percent of the payroll of new jobs.
- Greater than 140 percent of the county average wage– company receives additional 1 percent of the payroll of new jobs.

Local Incentives Bonus – Bonus based on the local incentives provided to the project as a percentage of new local tax revenue generated from the project, over ten years.

- 10-24% - company receives additional 1 percent of the payroll of new jobs.
- 25-49% - company receives additional 2 percent of the payroll of new jobs.
- 50% or more – company receives additional 3 percent of the payroll of new jobs.

Net State Fiscal Impact

The Missouri Economic Research Center has provided the economic impact of the Missouri Quality Jobs Program using the REMI Missouri Regional Economic Model for both the estimated jobs per project authorized and the actual jobs per project issued. Key findings for program impact include:

Actual Impact

The actual impact uses the information reported as part of the annual reporting process. The results of the analysis are more conservative since the actual information assumes no additional job growth of investment above the amount reported to date for the project.

Over 15 years, every dollar in Missouri Quality Jobs Program incentives is projected to return:

- \$3.18 in new general revenues for the State of Missouri, totaling \$870.8 million over 15 years.
- \$62.41 in new personal income for Missourians, totaling \$25.0 billion over 15 years.
- \$105.9 in new value-added, equivalent to GDP, to the state economy, totaling \$42.4 billion over 15 years.

Estimated Impact

The estimated impact considers the information as estimated by the company in the Notice of Intent and authorized by DED.

Over 15 years, every dollar in Missouri Quality Jobs Program incentives is projected to return:

- \$4.99 in new general revenues for the State of Missouri, totaling \$1.86 billion over 15 years.
- \$88.64 in new personal income for Missourians, totaling \$41.36 billion over 15 years.
- \$157.91 in new value-added, equivalent to GDP, to the state economy, totaling \$73.7 billion over 15 years.

The MERIC Research Brief for projects active in 2013 is provided as part of the annual report for this program.

Missouri Quality Jobs -- Job Creation Projects Approved in Calendar Year 2013

NOI Approvals	Location	County	NOI Approval Date	Anticipated New Jobs - Cumulative Year 5	Anticipated Investment - Cumulative Year 5	Projected Average Starting Wage	Authorized Withholding by Company	Authorized Tax Credits by Company	Authorized Total Benefits
360 Architecture Inc.	Kansas City	Jackson	5/10/2013	160	0	70,245	1,366,382	910,921	2,277,303
AB May Company	Kansas City	Jackson	4/12/2013	295	7,500,000	45,780	1,665,906	1,457,669	3,123,575
Apex Engineers, Inc.	Kansas City	Jackson	12/12/2013	16	270,000	49,000	110,048	61,902	171,950
Arrowhead Industries, LLC	Half Way	Polk	2/14/2013	45	3,650,000	28,000	57,120	0	57,120
Automated Motion Incorporated	Lee's Summit	Jackson	3/13/2013	14	0	44,642	91,582	56,131	147,713
Boeing Company, The	Hazelwood	St. Louis County	8/1/2013	600	5,200,000	75,133	6,473,404	3,801,840	10,275,244
Cassidy Turley Commercial Real Estate Services, Inc.	St. Louis	St. Louis City	9/25/2013	200	0	45,000	945,000	641,250	1,586,250
Catalent CTS (Kansas City), LLC	Kansas City	Jackson	8/9/2013	236	20,039,000	55,869	1,760,783	899,010	2,659,793
Centerpoint Medical Center of Independence, LLC	Independence	Jackson	3/27/2013	40	20,000,000	55,250	225,420	0	225,420
Cerner Corporation - Branson	Branson	Taney	9/18/2013	50	0	60,000	397,200	169,470	566,670
Cerner Corporation- NOI #3- Building L	Kansas City	Clay/Jackson	10/15/2013	450	0	75,000	6,237,000	2,164,500	8,401,500
Country Club Bank	Kansas City	Jackson	11/18/2013	65	13,500,000	90,000	853,225	0	853,225
EFCO Corporation	Monett	Barry	3/14/2013	200	5,000,000	32,344	0	1,672,800	1,672,800
Essence Group Holdings Corporation - NOI #2	Maryland Heights	St. Louis County	1/4/2013	100	500,000	65,000	0	1,137,500	1,137,500
Freightquote.com, Inc.	Kansas City	Jackson	6/14/2013	1408	50,000,000	65,926	15,285,133	13,101,542	28,386,675
Gallus BioPharmaceuticals, LLC - NOI #3	Berkeley	St. Louis County	3/6/2013	317	50,500,000	75,000	3,859,581	2,399,199	6,258,780
Hoover Universal, Inc.	Riverside	Platte	1/23/2013	100	31,204,403	50,065	0	1,627,115	1,627,115
Hotels.com, LP - NOI #2	Springfield	Greene	5/23/2013	120	2,123,128	35,476	0	1,313,518	1,313,518
Hufft Projects, LLC	Kansas City	Jackson	7/8/2013	22	60,000	45,000	125,240	40,390	165,630
Hussmann Corporation	Bridgeton	St. Louis	4/30/2013	74	70,000	70,000	823,200	0	823,200
ICC, Inc.	St. Louis	St. Louis City	3/8/2013	130	4,645,000	72,500	1,095,840	578,360	1,674,200
Interapptive, Inc.	St. Louis	St. Louis City	4/30/2013	30	not projected	66,000	252,350	144,200	396,550
Jack Henry & Associates, Inc.	Monett	Barry	7/12/2013	50	5,000,000	50,000	240,750	111,600	352,350
Jack Henry & Associates, Inc. - NOI #2	Springfield	Greene	7/12/2013	75	5,000,000	50,000	361,125	137,400	498,525
Legacy Truck Equipment	Oregon	Holt	4/11/2013	30	60,000	31,200	64,865	0	64,865
LightBridge, Inc.	Lee's Summit	Jackson	8/9/2013	52	17,000,000	68,000	425,187	139,555	564,742
Marlen International, Inc.	Riverside	Platte	5/23/2013	142	4,250,000	55,307	615,052	940,668	1,555,720
Mercury Communications, Inc.	Fenton	St. Louis	7/23/2013	16	2,453,000	43,122	102,130	38,368	140,498
Mercy Hospitals East Communities	Chesterfield	St. Louis	9/25/2013	285	124,600,000	70,073	3,657,667	0	3,657,667
Monolith Solar Associates, LLC	Kansas City	Jackson	11/21/2013	17	836,000	70,039	225,674	153,610	379,284
Mortgage Research Center, LLC - NOI #3	Columbia	Boone	5/23/2013	300	394,713	41,600	0	1,546,790	1,546,790
Nanova Biomaterials, Inc.	Columbia	Boone	7/17/2013	50	4,200,000	65,000	328,060	235,940	564,000
Netelligent Corporation	Chesterfield	St. Louis	9/11/2013	60	4,500,000	65,000	408,850	129,675	538,525
NorthPoint Development, LLC	Kansas City	Platte	6/21/2013	20	0	60,000	102,000	0	102,000
Onshore Technology Services, Inc. - NOI #3	Macon	Macon	7/12/2013	600	1,500,000	30,000	1,222,950	355,500	1,578,450
P1 Group, Inc.	Joplin	Jasper	8/7/2013	20	40,000	49,972	155,415	0	155,415
Pepex Biomedical, Inc.	St. Louis	St. Louis City	7/24/2013	224	24,787,500	60,635	855,271	316,200	1,171,471
Performance Food Group, Inc.	Riverside	Platte	7/19/2013	67	1,800,000	42,676	121,233	0	121,233
Pharma Medica Research, Inc.	St. Charles	St. Charles	9/6/2013	320	30,800,000	47,172	0	4,216,967	4,216,967
Sage Labs	St. Louis	St. Louis County	4/9/2013	49	3,792,500	62,000	463,148	286,062	749,210
Sporting Innovations KS, LLC	Kansas City	Jackson	9/25/2013	180	40,000,000	74,000	1,585,080	593,406	2,178,486
U.S. Engineering Company	Kansas City	Jackson	1/22/2013	85	2,800,000	99,168	1,401,100	0	1,401,100
Ultrax Aerospace, Inc. - NOI #2	Lee's Summit	Jackson	6/12/2013	15	250,000	85,000	246,975	153,525	400,500
Unisys Corporation - NOI # 2	St. Louis	St. Louis City	8/26/2013	100	0	58,350	0	947,725	947,725
US Bank National Association	Earth City	St. Louis County	3/15/2013	260	7,200,000	55,000	0	4,290,000	4,290,000
Valent Aerostructures, LLC- NOI #3	Washington	Franklin	11/21/2013	40	1,500,000	40,000	0	340,000	340,000
Valorem Consulting	Kansas City	Jackson	3/5/2013	20	100,000	100,000	357,000	153,000	510,000
Velociti, Inc.	Riverside	Platte	4/12/2013	90	3,000,000	54,490	348,074	464,096	812,170
Wells Fargo & Company - NOI #2	St. Louis	St. Louis City	12/6/2013	400	35,000,000	59,192	0	4,972,128	4,972,128
Wilson's Structural Steel, LLC	Fenton	St. Louis	9/20/2013	40	10,000,000	45,000	162,000	0	162,000
Yanfeng USA Automotive Trim Systems, Inc. - NOI # 2	Riverside	Platte	9/26/2013	291	45,716,653	50,340	983,357	2,143,779	3,127,136
Total				8570	\$590,841,897		56,057,377	54,843,311	110,900,688

Missouri Quality Jobs -- Job Retentions Project Approved in Calendar Year 2013

NOI Approvals	Location	County	NOI Approval Date	Retained Jobs			Authorized Withholding by Company	Authorized Tax Credits by Company	Authorized Total Benefits
Honeywell Federal Manufacturing and Technologies, LLC	Kansas City	Jackson	7/10/2013	2000			0	5,000,000	5,000,000
Total								5,000,000	5,000,000

**Quality Jobs Program
Project Benefits through December 31, 2013**

QUALITY JOBS -- HIGH IMPACT								
REQUESTOR	LOCATION	COUNTY	ACTUAL TAX CREDIT ISSUED	ACTUAL TOTAL PROGRAM BENEFITS ISSUED (to date)	ACTUAL NEW JOBS	AUTHORIZED WITHHOLDING (over 5 years)	AUTHORIZED TAX CREDIT (over 5 years)	ANTICIPATED NEW JOBS (over 5 years)
BROWN SHOE COMPANY, INC. (HEADQUARTERS)	SAINT LOUIS	ST. LOUIS	2,368,072.65	2,368,072.65	177	0.00	2,935,125.82	100
BROWN SHOE COMPANY, INC. (HEADQUARTERS)	SAINT LOUIS	ST. LOUIS	1,769,178.00	1,769,178.00	141	0.00	6,545,486.09	130
CENTENE CORPORATION	SAINT LOUIS	ST. LOUIS	2,980,313.34	8,790,025.65	337	8,254,755.50	4,032,114.00	302
CENTENE CORPORATION	SAINT LOUIS	ST. LOUIS	235,742.18	1,555,169.18	343	4,935,653.00	6,046,726.22	462
CERNER CORPORATION	KANSAS CITY	CLAY	750,000.00	8,966,050.00	1451	5,198,600.00	3,750,000.00	556
DATA SYSTEMS INTERNATIONAL, INC.	KANSAS CITY	JACKSON	52,268.31	740,871.85	134	3,511,993.00	2,341,329.00	150
DINEEQUITY, INC. (APPLEBEE'S HEADQUARTERS)	KANSAS CITY	JACKSON	2,599,548.26	2,599,548.26	237	0.00	10,435,139.26	311
ESSENCE GROUP HOLDINGS CORPORATION	MARYLAND HEIGHTS	ST. LOUIS	891,983.50	891,983.50	226	0.00	2,275,504.48	233
EXPRESS SCRIPTS, INC.	SAINT LOUIS	ST. LOUIS	3,750,000.00	18,372,647.28	688	4,732,574.00	3,834,426.23	480
EXPRESS SCRIPTS, INC.	SAINT LOUIS	ST. LOUIS	646,926.23	3,545,732.23	447	1,714,784.00	1,635,340.23	180
FURNITURE BRANDS INTERNATIONAL, INC.	SAINT LOUIS	ST. LOUIS	675,801.01	2,354,135.01	156	2,690,408.00	2,399,551.00	100
GALLUS BIOPHARMACEUTICALS, LLC	SAINT LOUIS	ST. LOUIS	769,291.09	2,084,789.59	192	5,282,471.00	4,711,392.34	192
HOLCIM (US) INC.	BLOOMSDALE	STE. GENEVIEVE	950,026.51	950,026.51	54	0.00	4,329,427.00	224
HOTELS.COM, LP (EXPEDIA, INC)	SPRINGFIELD	GREENE	1,673,822.95	1,673,822.95	523	0.00	6,885,052.89	525
IBM (INTERNATIONAL BUSINESS MACHINES CORPORATION)	COLUMBIA	BOONE	2,069,714.38	2,069,714.38	529	0.00	5,679,708.15	200
ISLE OF CAPRI CASINOS, INC.	SAINT LOUIS	ST. LOUIS	1,435,282.55	5,471,920.53	103	2,173,720.17	2,437,199.75	150
KERRY, INC.	SAINT LOUIS	ST. LOUIS	863,662.24	1,932,416.95	239	777,921.00	1,291,804.85	150
MONSANTO COMPANY	SAINT LOUIS	ST. LOUIS	2,591,161.42	12,579,082.42	640	8,109,282.17	5,833,333.34	600
MORTGAGE RESEARCH CENTER, LLC (DBA VETERANS UNITED HOME LOANS)	COLUMBIA	BOONE	1,087,803.13	1,087,803.13	443	0.00	2,275,304.38	120
NEW DIRECTIONS BEHAVIORAL HEALTH, LLC	KANSAS CITY	JACKSON	39,313.77	488,337.77	133	3,515,270.75	3,515,270.75	270
NORTH AMERICAN SAVINGS BANK, FSB	KANSAS CITY	JACKSON	971,267.88	2,970,210.98	223	3,197,389.59	3,189,761.20	262
ORGILL, INC.	SIKESTON	SCOTT	1,730,351.23	1,730,351.23	274	0.00	3,005,306.03	221
PANERA, LLC	SAINT LOUIS	ST. LOUIS	240,601.97	901,090.80	123	1,432,697.00	1,423,433.47	209
PROENERGY HOLDING COMPANY, INC.	SEDALIA	PETTIS	1,781,797.80	1,781,797.80	120	0.00	3,312,570.90	120
PROENERGY HOLDING COMPANY, INC.	SEDALIA	PETTIS	444,514.96	444,514.96	118	0.00	5,397,035.96	300
SAINT LUKE'S EAST HOSPITAL	LEES SUMMIT	JACKSON	260,897.39	3,718,984.39	479	1,100,500.00	381,517.63	170
SCOTTRADE FINANCIAL SERVICES, INC.	SAINT LOUIS	ST. LOUIS	164,775.44	3,883,322.44	369	2,925,376.00	2,791,102.50	500
THE JONES FINANCIAL CO.	SAINT LOUIS	ST. LOUIS	2,063,919.54	6,904,626.54	523	6,448,160.73	3,937,500.00	800
THE JONES FINANCIAL COMPANIES	MARYLAND HEIGHTS	ST. LOUIS	431,634.44	2,015,759.44	175	6,824,985.50	431,634.44	800
Subtotal - High Impact Project Benefits			36,289,672.17	104,641,986.42	9,597	72,826,541.41	107,059,097.91	8,817

QUALITY JOBS -- SMALL/EXPANDING								
REQUESTOR	LOCATION	COUNTY	ACTUAL TAX CREDIT ISSUED	ACTUAL TOTAL PROGRAM BENEFITS ISSUED (to date)	ACTUAL NEW JOBS	AUTHORIZED WITHHOLDING (over 5 years)	AUTHORIZED TAX CREDIT (over 5 years)	ANTICIPATED NEW JOBS (over 5 years)
ALPLA, INC.	SAINT PETERS	ST. CHARLES		188,575.75	77	166,080.00	0.00	56
CENTRALIZED SUPPLY CHAIN SERVICES, LLC	KANSAS CITY	JACKSON		280,807.50	40	945,451.00	0.00	40
DURASEAL PIPE COATINGS COMPANY	KANSAS CITY	JACKSON		127,599.00	30	109,787.00	0.00	60
HUGHES HUBBARD & REED LLP	KANSAS CITY	JACKSON		199,474.00	47	1,398,600.00	0.00	60
KANSAS CITY SOUTHERN RAILWAY	KANSAS CITY	JACKSON		679,799.00	93	3,505,955.00	0.00	130
KEMCO TOOL AND MACHINE COMPANY, INC. FKA AMALGAMATED INDUSTRIES,	SAINT LOUIS	ST. LOUIS		681,365.37	83	771,710.00	0.00	100
KIEWIT WESTERN CO.	LEES SUMMIT	JACKSON		527,288.00	15	597,406.17	0.00	40
LANDSHIRE, INC.	SAINT LOUIS	ST. LOUIS CITY		312,709.56	42	219,294.00	0.00	48
LOCKTON, INC.	KANSAS CITY	JACKSON		160,074.00	68	952,027.00	0.00	60
MARKS NELSON VOHLAND CAMPBELL RADETIC LLC	KANSAS CITY	JACKSON		324,631.09	53	1,837,175.00	0.00	90
SAK CONSTRUCTION, LLC	O FALLON	ST. CHARLES		161,958.95	43	491,313.00	0.00	44
Subtotal - Small/Expanding Project Benefits			0.00	3,644,282.22	591	10,994,798.17	0.00	728

QUALITY JOBS -- TECHNOLOGY								
REQUESTOR	LOCATION	COUNTY	ACTUAL TAX CREDIT ISSUED	ACTUAL TOTAL PROGRAM BENEFITS ISSUED (to date)	ACTUAL NEW JOBS	AUTHORIZED WITHHOLDING (over 5 years)	AUTHORIZED TAX CREDIT (over 5 years)	ANTICIPATED NEW JOBS (over 5 years)
ABC LABS (ANALYTICAL BIO-CHEMISTRY LABORATORIES, INC.)	COLUMBIA	BOONE	448,228.35	1,288,360.71	106	511,599.17	519,754.48	106
ABC LABS (ANALYTICAL BIO-CHEMISTRY LABORATORIES, INC.)	COLUMBIA	BOONE	85,652.70	325,210.70	57	613,845.00	636,580.00	140
ABC LABS (ANALYTICAL BIO-CHEMISTRY LABORATORIES, INC.)	COLUMBIA	BOONE	4,962.90	17,919.90	12	590,550.00	457,200.00	100
APPISTRY, INC.	SAINT LOUIS	ST. LOUIS CITY	22,524.50	100,228.50	16	1,968,400.00	1,144,000.00	280
APPLIED FOOD BIOTECHNOLOGY, INC. (AFB INTERNATIONAL)	SAINT CHARLES	ST. CHARLES	83,678.92	725,936.92	22	409,955.84	379,346.13	43
BEUMER CORPORATION	KANSAS CITY	JACKSON	40,701.25	167,227.92	28	353,588.00	219,798.00	20
BOEHRINGER INGELHEIM VETMEDICA, INC.	SAINT JOSEPH	ANDREW	149,732.84	1,464,814.91	85	759,365.00	710,374.00	85
BOEHRINGER INGELHEIM VETMEDICA, INC.	SAINT JOSEPH	ANDREW	697,996.44	2,447,376.68	243	387,500.00	927,676.44	40
BURNS & MCDONNELL ENGINEERING	SAINT LOUIS	ST. LOUIS	322,746.24	677,988.03	30	280,860.00	437,795.16	50
CARD COMPLIANT, LLC	KANSAS CITY	JACKSON	34,728.83	120,921.83	17	512,820.00	318,780.00	36
CERNER CORPORATION	LEES SUMMIT	JACKSON	1,435,427.13	3,991,616.13	1625	79,750.00	2,040,427.13	50
CONTEGIX, LLC	SAINT LOUIS	ST. LOUIS CITY	9,501.92	49,490.92	14	941,280.00	585,121.00	88
GENESIS 10	KANSAS CITY	JACKSON	494,071.38	2,565,035.38	123	2,061,500.00	1,928,500.00	250
JACK HENRY & ASSOCIATES, INC.	SPRINGFIELD	GREENE	10,542.35	392,946.35	148	447,440.00	342,160.00	60
MASTERCARD INTERNATIONAL LLC	O FALLON	ST. CHARLES	1,657,474.73	5,740,670.40	487	2,522,113.50	2,378,803.97	123
MEDIA CONVERGENCE GROUP, INC.	COLUMBIA	BOONE	33,993.47	84,785.47	25	173,851.00	185,839.00	35
MIDWEST DATA CENTER, INC.	ROCK PORT	ATCHISON	79,802.36	172,893.36	30	49,753.00	81,017.17	22
MILLIPORE CORPORATION	SAINT CHARLES	ST. CHARLES	450,691.12	1,070,947.50	76	807,860.00	908,590.54	155
NETLABS, LLC	SAINT LOUIS	ST. LOUIS CITY	170,390.00	402,915.00	19	226,765.00	270,251.15	30
ONSHORE TECHNOLOGY SERVICES, INC.	MACON	MACON	78,425.29	224,862.29	65	1,286,875.00	1,527,830.00	453
RAREWIRE, LLC	KANSAS CITY	JACKSON	2,481.34	46,179.67	12	212,500.00	131,250.00	20
SABRELINER CORPORATION	PERRYVILLE	PERRY	249,639.74	456,304.73	16	248,000.00	443,189.74	88
SEVENTH WAVE LABORATORIES, LLC	CHESTERFIELD	ST. LOUIS	197,496.53	512,615.65	28	199,950.00	215,244.09	30
SIGMA-ALDRICH CO. LLC	SAINT LOUIS	ST. LOUIS CITY	52,421.93	52,421.93	0	1,160,129.00	898,302.00	125
SPARTECH RESEARCH AND DEVELOPMENT LLC	SAINT LOUIS	ST. LOUIS	54,895.40	301,359.40	29	590,070.00	451,230.00	50
STEELVILLE MANUFACTURING CO.	STEELVILLE	CRAWFORD	125,962.72	297,220.72	39	103,976.00	180,534.00	40
STOWERS INSTITUTE FOR MEDICAL RESEARCH	KANSAS CITY	JACKSON	433,552.97	700,442.97	47	433,280.25	642,249.58	80
TELAMON CORPORATION	FENTON	ST. LOUIS	25,590.52	94,220.52	10	74,563.92	104,831.22	10
TELAMON CORPORATION	FENTON	ST. LOUIS	25,208.44	49,472.04	12	184,101.67	196,796.67	28
TETRA TECH EM, INC.	KANSAS CITY	JACKSON	297,938.83	740,489.56	37	851,598.00	796,655.50	88
ULTRAX AEROSPACE, INC.	LEES SUMMIT	JACKSON	35,684.23	113,699.68	16	190,476.00	155,844.00	19
UNGERBOECK SYSTEMS INTERNATIONAL, INC.	O FALLON	ST. CHARLES	211,662.00	673,670.00	56	213,900.00	227,843.05	30
UNISYS	SAINT LOUIS	ST. LOUIS CITY	238,304.51	238,304.51	24	0.00	3,478,045.00	300
VALENT AEROSTRUCTURES-WASHINGTON, LLC(FKA DACA MACHINE&TOOL LLC)	DUTZOW	WARREN	91,466.07	390,600.07	43	270,991.00	346,668.00	70
VIRACOR- IBT LABORATORIES, INC. (VIRACOR HOLDINGS, LLC)	LEES SUMMIT	JACKSON	192,174.63	751,926.63	87	139,500.00	259,974.63	15
WILLBROS ENGINEERS (U.S.), LLC	KANSAS CITY	JACKSON	221,371.83	813,435.16	45	495,953.00	468,658.05	65
GENESYS INDUSTRIAL CORP	KANSAS CITY	JACKSON		10,575.00	0	515,088.00	265,348.00	90
MIDWEST RESEARCH INSTITUTE	KANSAS CITY	JACKSON		3,617.00	0	1,649,449.00	1,194,430.00	380
WORLD WIDE TECHNOLOGY HOLDING COMPANY, INC.	MARYLAND HEIGHTS	ST. LOUIS		511,128.00	95	1,047,929.00	651,862.00	100
Subtotal - Technology Project Benefits			8,767,124.41	28,789,832.14	3,824	23,567,125.35	27,108,799.70	3,794
Total - New Jobs Projects			45,056,796.58	137,076,100.78	14,012.00	107,388,464.93	134,167,897.61	13,339.00

ECONOMIC IMPACT OF THE MISSOURI QUALITY JOBS PROGRAM 2005 - 2013 PROJECTS

The Missouri Quality Jobs Program targets three economic areas important to Missouri's future - Small and Expanding businesses, Advanced Technology companies, and High Impact projects. The Quality Jobs Program, administered by the Missouri Department of Economic Development (DED), provides benefits to a company based largely on the number of high paying jobs created. Benefits require verification of employment before incentives are issued.

Qualifying businesses are required to create a minimum number of new jobs at above average wages, offer health insurance to these new employees, and pay at least half of the health insurance premiums for these individuals. In return, qualifying employers will keep a percentage of the state withholding taxes normally paid to the state for these new employees for a set number of years. The amount of the benefit is based on the wage paid relative to the county average wage where the employer is located.

MQJP KEY FINDINGS

With **actual** information submitted to date, the MQJP has directly generated \$3.6 billion in new investment and created just over 15,710 new jobs with health benefits paying an average wage of \$72,325 per year.

By 2020, assuming sustained employment levels, these projects are estimated to create 25,977 direct and spin-off jobs in Missouri based on economic impact analysis.

Over 15 years, every dollar in MQJP incentives is projected to return:

- \$3.18 in new general revenues for the State of Missouri, totaling \$870.8 million over 15 years.
- \$62.41 in new personal income for Missourians, totaling \$25.0 billion over 15 years.
- \$105.9 in new value-added to the state economy, totaling \$42.4 billion over 15 years.

Missouri Quality Jobs Program

Actual Activity through 2013 Calendar Year

As of December 31st, 2013, there are 269 Small/Expanding, Technology and High Impact projects that DED considers active or that have been completed utilizing the Quality Jobs Program. 2 additional projects utilize the program for retained jobs. Most of these projects involve businesses engaged in professional, technical, and scientific services, manufacturing, finance and insurance, and company management and support services.

At the time of analysis nearly 47 percent of all projects have provided information that has been verified by DED staff and are termed "**actual**" for the purposes of this report. The remaining projects are considered active but are still within the allowed reporting period so that verified information is not yet available. Although companies have submitted notices of intent for additional jobs and investments, analysis of verified-only information produces a more conservative impact estimate that, in conjunction with research of the entire program also included in this report, provides a range of impact estimates useful in understanding the MQJ program.

Using only **actual** information, which assumes no additional job growth or investments in the future, the direct impact of these businesses is \$3.6 billion in new investment and 15,710 direct new jobs with health benefits paying an average wage of \$72,325 per year in Missouri. Incentives for these projects cost the state \$398.4 million in general revenue.

ESTIMATED ECONOMIC IMPACT

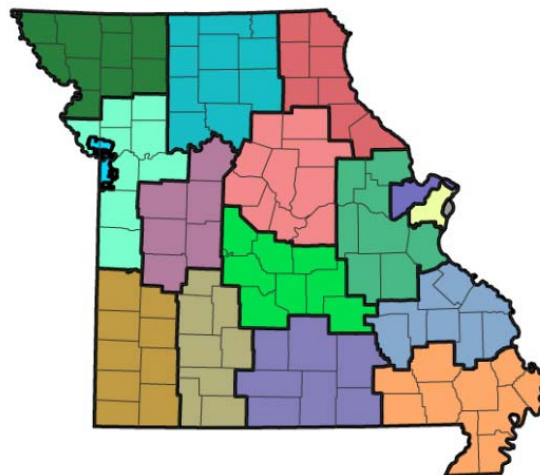
The economic impact of the Missouri Quality Jobs Program is estimated using the Regional Economic Models, Inc. (REMI) Policy Insight model which the state has used for over a decade to assess business development projects. The REMI model follows the expected flow of income that moves around an economy through the primary relationships between businesses and consumers. Models such as REMI take into account the typical purchases made by companies to produce products or services, where those companies are, and how workers spend the income that is made. The model follows these spending patterns within the economy to understand the larger impacts that circulate within a region and what income leaks out due to imports.

The REMI economic model is updated annually with federal data from the Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, and other agencies. DED also calibrates the fiscal component of the model each year with Missouri Office of Administration budget figures to provide better state tax estimates.

The model analyzes impacts over a long period of time and takes into account expected changes, such as the migration of some new workers into the state, which can add costs for public services.

Although the first page of this report provides a summary of economic impacts from **actual** projects only, it is necessary to use data from a mixture of verified and anticipated project activity to analyze the entire program's expected impact. The economic and fiscal benefits provided in the remainder of this report are reflective of the available verified, as well as anticipated, company information known to DED as of the end of 2013.

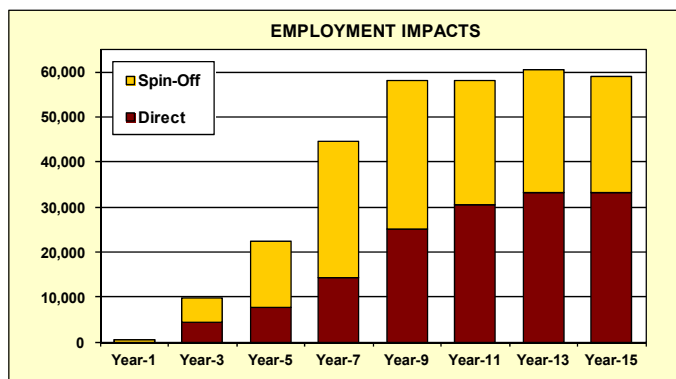
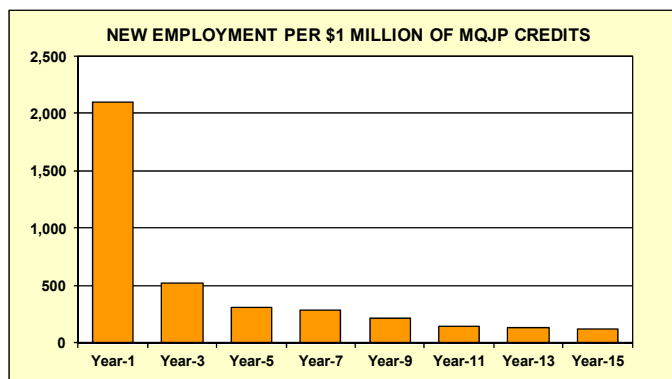
REMI Economic Regions



Economic Benefits based on All MQJ Projects thru Calendar Year 2013

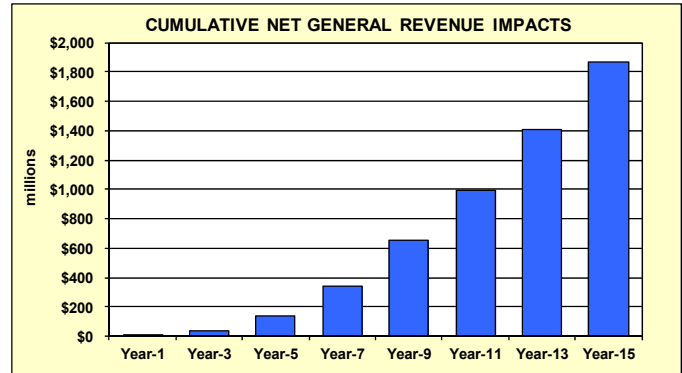
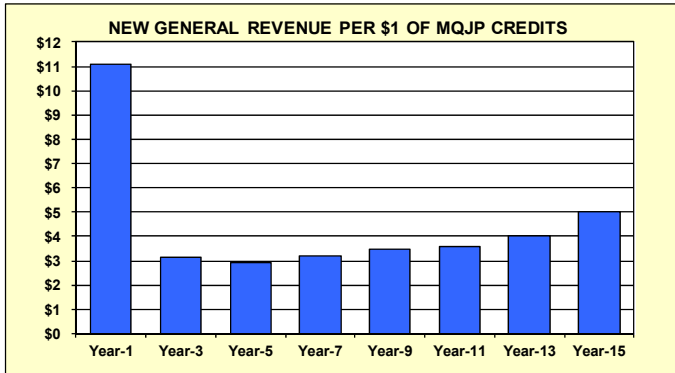
Employment

At full operation in 2020, every one million dollars of state tax credits invested in the Quality Jobs Program is projected to create an average of 126 direct and indirect jobs in Missouri. Given current projects to date, by 2020 the program is projected to create roughly 58,900 direct and indirect jobs in Missouri paying an average wage of \$57,684.



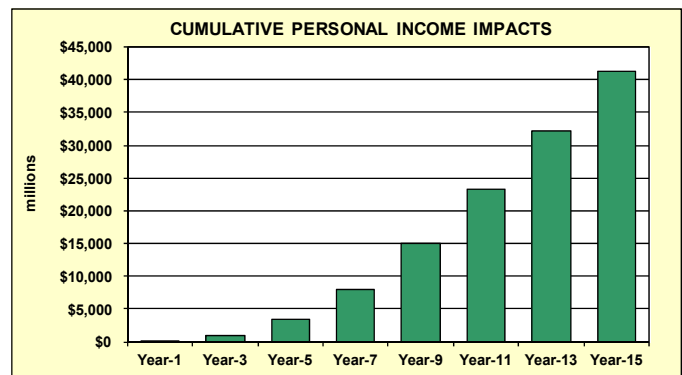
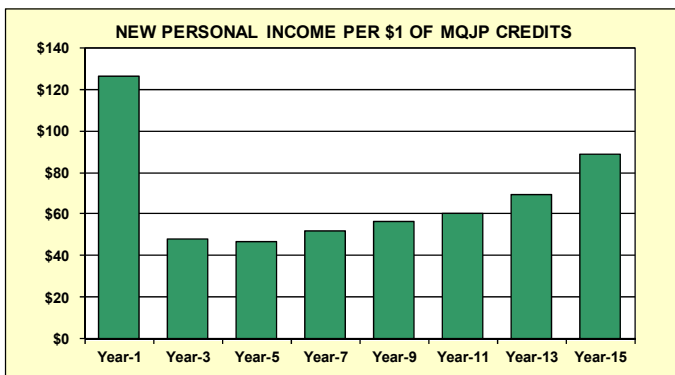
General Revenues

Over 15 years, every dollar of state tax credits invested in the Quality Jobs Program is projected to return \$4.99 in general revenue to the State of Missouri. Given current projects to date, this is projected to generate \$1.86 billion in new cumulative net state general revenues over 15 years, which averages to \$124 million annually in new general revenues.



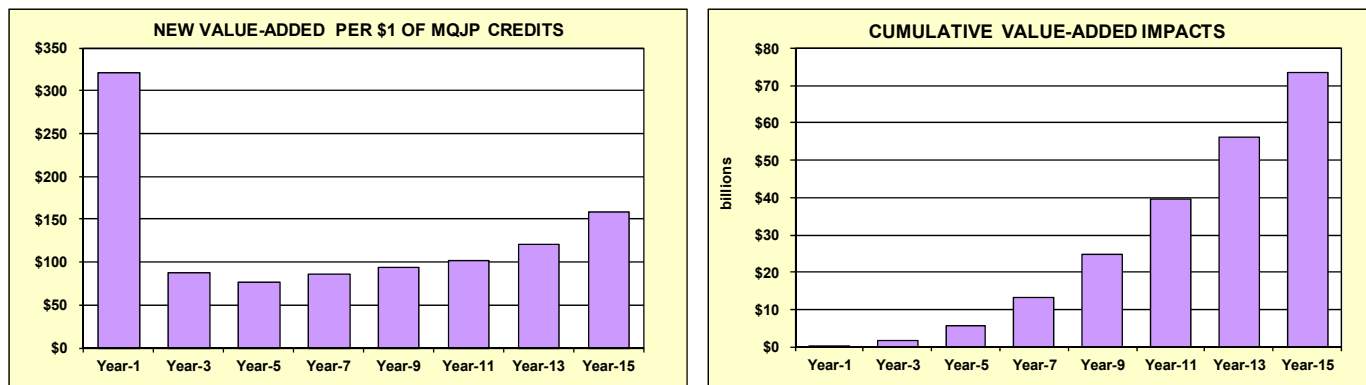
Personal Income

Over 15 years, every dollar of state tax credits invested in the Quality Jobs Program is projected to return \$88.64 in personal income to Missourians. Given current projects to date, this is projected to generate \$41.36 billion in new cumulative personal income over 15 years, which averages to \$2.76 billion in new personal income annually.



Value-Added

Value-added is equal to total economic activity, excluding goods and services used as inputs, in the production process. Value-added is used to pay compensation, taxes, capital, and profits and is equivalent to Gross Domestic Product. Using this measure, every dollar of state tax credits invested in the Quality Jobs Program is projected to return \$157.91 in new value-added to the state's economy. Given current projects to date, this is projected to generate \$73.70 billion in new value-added over 15 years, which averages to \$4.91 billion in value-added annually.



All projections of the future state of Missouri's economy carry some degree of uncertainty given unforeseen circumstances, changing business plans, and fluctuating business cycles. The modeling scenario in this analysis assumes that companies taking advantage of MQJ implement their corporate investment and expansion plans as set forth in their Notices of Intent. Each year the annual report is updated with the latest available information and will reflect any changes that have occurred in the prior year. Having the most current information provides the best estimate of overall program impacts but does mean that past reports will not reflect these later revisions. As the Quality Jobs Program is designed to only provide incentives once information is verified, the state is able to adjust benefits to companies based on actual performance.

February 2014

MISSOURI ECONOMIC RESEARCH AND INFORMATION CENTER
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

